



April 8, 2010

Dear Senator/Representative:

As you and your colleagues get set to return to Harrisburg after the completion of your district work period, I have the privilege of writing today to update you on the progress that's being made right now by the more than 80 member companies of the Marcellus Shale Coalition – efforts that, with your help, will continue to generate jobs, revenue and opportunity for residents of the Commonwealth.

As you know, Pennsylvania finds itself at the vanguard of an emerging energy revolution in America today – quite literally the keystone contributor in a broader national effort aimed at recasting our nation's energy future for the better, and revitalizing our state's economy by leveraging trillions of cubic feet of clean-burning, American natural gas resources into high-wage, family-supporting jobs for Pennsylvanians.

It's a revolution, in fact, that is very much underway right now in the Commonwealth. According to a study released last summer by Penn State, the production of natural gas from deep shale formations underlying our state helped create nearly 50,000 jobs last year, and is expected to support more than 100,000 new direct and indirect jobs by end of this year.

That same study predicts this critical work will generate more than \$600 million in state tax revenue in 2010, and \$270 million in local taxes. Add in the \$129 million in revenues collected by the state from its land lease earlier this year, and we're talking about an industry that's expected to contribute more than \$1 billion to Pennsylvania's state and local governments this year alone. Amazingly, this comes at a time when natural gas prices are among the lowest they've been since the start of the preceding decade.

Here's the good news: When it comes to creating new jobs and generating new revenue, we can do even more. Earlier this week, as the U.S. Department of Labor announced a slight increase nationally in the number of Americans finding work, the state of Pennsylvania found itself on the opposite end of the ledger – losing more jobs in March than all but three states. As mentioned, I have the honor of representing an industry at the forefront of reversing that trend, and we have a plan in place to achieve precisely that.

The shale gas revolution is transforming the energy future of this nation, and making possible the achievement of goals that were considered improbable only a short time ago. The General Assembly will play a critical role in ensuring this important work continues, maximizing responsible development in a way that extends the promise and potential of the Marcellus to all Pennsylvanians. Efforts to update and modernize the laws to reflect these priorities, along with our shared commitment to keeping Pennsylvania competitive in their pursuit, will put us in the best position to deliver on that promise moving forward.

Let me say in closing that we stand ready to work with you on a plan to convert this potential into historic opportunities for the future – and look forward to continuing to update you and your colleagues on our progress and priorities in the weeks and months to come. I thank you for your time. And I hope you won't hesitate to contact me directly with any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "K. Z. Klaber".

Kathryn Z. Klaber
President
Marcellus Shale Coalition